

RESOLUTION NO. 2024-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE COUNTY OF MONTEREY IN ORDER TO PARTICIPATE IN THE COMMUNITY BLOCK GRANT (CDBG) URBAN COUNTY CONSORTIUM. THIS ACTION IS EXEMPT FROM ENVIRONMENTAL REVIEW PER § 15061(B)(3) OF THE CEQA GUIDELINES.

WHEREAS, the United States Congress has enacted the Housing and Community Development Act of 1974, as amended (the "Act"); and

WHEREAS, Title I of the Act makes entitlement grants available to cities with a population 50,000 or more persons and to counties that qualify as an Urban County; and

WHEREAS, the County of Monterey is not eligible to apply directly for entitlement funds under the Act but may, by entering into a Joint Exercise of Powers Agreement and Cooperation Agreement with the County of Monterey and other cities, qualify the County of Monterey as an Urban County applicant and may thereby receive such funds; and

WHEREAS, the County of Monterey, and cities of Gonzales, Greenfield, Marina, Pacific Grove, and Sand City wish to enter into an agreement to enable the County of Monterey to apply for and receive entitlement funds as an Urban County and to establish the respective rights and obligations of the contracting parties to such funds; and

WHEREAS, entering into this agreement will not foreseeably have impacts on the environment pursuant to the California Environmental Quality Act (CEQA), and therefore is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3); and

WHEREAS, the City of Marina desires to undertake or to assist in the undertaking of essential activities pursuant to Title I of the Housing and Community Act of 1974, as amended, for a period of July 1, 2025, through June 30, 2027; and

WHEREAS, this Agreement is made pursuant to Section 6500 et. seq. of the California Government Code and constitutes an exercise of powers common to both the participating cities and Monterey County, each being empowered to carry out the purposes of the grant in their own jurisdictions; and this Agreement is further made pursuant to the Housing and Community Development Act of 1974, as amended.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Marina hereby approves Resolution No. 2024- directing the City Manager to enter into said agreement and determine this project is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of September 2024, by the following vote:

AYES, COUNCIL MEMBERS: McAdams, McCarthy, Biala, Visscher, Delgado

NOES, COUNCILMEMBERS: None

ABSTAIN, COUNCILMEMBERS: None

ABSENT, COUNCILMEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

August 20, 2024

Item No. **10g(1)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of September 17, 2024

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2024-, AUTHORIZING EXECUTION OF A COOPERATION AGREEMENT WITH THE COUNTY OF MONTEREY IN ORDER TO PARTICIPATE IN THE COMMUNITY BLOCK GRANT (CDBG) URBAN COUNTY CONSORTIUM. THIS ACTION IS EXEMPT FROM ENVIRONMENTAL REVIEW PER § 15061(B)(3) OF THE CEQA GUIDELINES.

REQUEST:

It is requested that the Marina City Council:

1. Adopt Resolution No. 2024-, Directing the City Manager to enter a cooperative agreement with the County of Monterey to participate in the Urban County CDBG Consortium
2. Determine this action is exempt from CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) has a program called, Community Development Block Grant (CDBG) entitlement program. The overall objective of the program is to: benefit low- and moderate-income persons; aid in the prevention or elimination of slums and blight; or to meet an urgent need because of conditions that pose a serious and immediate threat to the health or welfare of the community. Programs to carry out these objectives can be a wide range of community development activities directed toward revitalizing neighborhoods, economic development and providing improved community facilities and services. All programs must give feasible priority to activities which benefit low- and moderate-income persons or households. CDBG funds may not be used for activities which do not meet one of the national objectives.

To be eligible for CDBG funds a grantee must be:

- Principal cities of Metropolitan Statistical Areas (MSAs)
- Other metropolitan cities with populations of at least 50,000
- Qualified Urban County with population of at least 200,000 (excluding the population of entitled cities).

HUD determines the amount of each entitlement grantee's annual funding allocation by a statutory formula which uses objective measures of community needs, including extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

Eligible activities include but are not limited to:

- Acquisition of real property
- Relocation and demolition
- Rehabilitation of residential and non-residential structures

- Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers.
- Public services within certain limits
- Activities relating to energy conservation and renewable energy resources
- Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

Each activity must meet one of the national objectives for the program.

The City of Marina does not meet the criteria to receive entitlement CDBG grants directly from HUD. The cities of Monterey, Salinas, and Seaside qualify for these criteria and receive annual CDBG grants from HUD.

The California Department of Housing and Community Development (HCD) receives funding from HUD to allocate to non-entitlement jurisdictions with populations under 50,000. The City of Marina is eligible to receive grant funding from HCD in two ways:

1. Competitive grant applications directly to HCD which compete with all other non-entitlement cities in California
2. Elect to become part of the Monterey County, Urban County Consortium.

Monterey County by itself does not qualify to become an entitlement community. It must form a consortium with the other cities in the County to meet the minimum HUD qualification guidelines. If a city joins the Monterey County Consortium, they will not be eligible to apply for and receive grants directly from HCD for three years.

Recently, Marina has not joined the Monterey County Consortium and has chosen the route to apply for funds directly from HCD. Grants directly from HCD can be millions of dollars annually per qualified project. Working directly with HCD and with their encouragement, the city has applied multiple times to HCD for CDBG grants. Most recently the project was a senior center which we applied for a grant three separate times and always scored very high. The last time the city applied we were advised by HCD that even though we had a very high score, we were not awarded a grant because there were so many smaller rural jurisdictions throughout the state that had needs still far greater than Marina's needs.

ANALYSIS

Every three years Monterey County is required to requalify as an entitlement community. As required by HUD, the County extended an invitation to all non-entitlement cities to join the Consortium and Marina is proposing to join the Monterey County Urban County Consortium for CDBG entitlement purposes. The proposed Urban County Consortium is made up of the County and cities of Gonzales, Greenfield, Marina, Pacific Grove, and Sand City. The funds will be distributed to the County and cities of the Consortium by an established formula. By joining the Consortium Marina will receive approximately \$150,000 annually or \$450,000 over the next three years.

By joining the Consortium, Marina must remain in it for the next three years and will not be eligible to apply for CDBG grants directly from HCD. The Consortium agreement must be submitted to HUD no later than September 18, 2024. If the Urban County Consortium is approved the City can expect to receive CDBG funds for FY 2025 – 2027.

The City will have to go through a public process to determine needs and projects that qualify for CDBG funds.

ENVIRONMENTAL REVIEW:

Entering into a contract with the County to receive housing related funds is not a project under the California Environmental Quality Act (CEQA) per Section 15061(b)(3) of the CEQA Guidelines. CEQA applies only to projects which have the potential for causing a significant effect on the environment. Here it can be seen with certainty that there is no possibility that joining the consortium may have a significant effect on the environment. Thus, the activity is not subject to CEQA.

FISCAL IMPACT

Approximately \$150,000 each for FY 2025 – 2027.

Prepared by:

Guido F. Persicone AICP
Community Development Director
City of Marina

REVIEW/CONCUR:

Layne Long
City Manager
City of Marina